

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

BILL NO. House Bill 1348

PRINTER NO. 1932

AMOUNT

See Fiscal Impact

FUND

Various Funds

DATE INTRODUCED

May 5, 2021

PRIME SPONSOR

Representative Saylor

DESCRIPTION

House Bill 1348 amends the Fiscal Code (Act 176 of 1929) regarding the transfer of federal funds in the Department of Human Services (DHS).

This bill allows DHS, upon approval of the Secretary of the Budget, to transfer federal funds from the Temporary Assistance for Needy Families Block Grant to the Child Care and Development Fund Block Grant and the Social Services Block Grant if the transfer will not result in a deficit. The Secretary of the Budget must provide notice to the chairperson and minority chairperson of the Appropriations Committees of both the House of Representatives and the Senate ten days prior to a transfer.

FISCAL IMPACT:

House Bill 1348 would move language previously contained in the General Appropriation Act regarding the transferring of federal funds from the TANF Block Grant to the CCDF Block Grant and the Social Services Block Grant, to the Fiscal Code.

Fiscal Impact: This provision will have no impact on Commonwealth funds.

Coronavirus State Fiscal Recovery Fund Transfer

The bill provides for the transfer of funds from the federal Coronavirus State Fiscal Recovery Fund to the General Fund from any unexpended funds available after June 30, 2022, and again after June 30, 2023.

Fiscal Impact: This provision may provide additional funds to the General Fund in FY 2022-23 and FY 2023-24 if unexpended funds from the Coronavirus State Fiscal Recovery Fund remain.

ARPA Elementary and Secondary Emergency Relief Funds Distribution

The bill distributes \$499,695,315 in federal ARPA – Elementary and Secondary School Emergency Relief (ESSER) funds.

Fiscal Impact: The distribution is as follows:

- \$249,847,658 to school districts, charter schools, and cyber charter schools from the required set-aside for learning loss proportionally based on the allocation of federal Title I, Part A funds.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

- \$49,969,532 to school districts, charter schools, and cyber charter schools from the required set-aside for summer enrichment programs proportionally based on the allocation of federal Title I, Part A funds.
- \$49,969,532 to school districts, charter schools, and cyber charter schools from the required set-aside for comprehensive afterschool programs proportionally based on the allocation of federal Title I, Part A funds.
- \$43,500,000 to intermediate units distributed proportionally based on aid ratio and average daily membership.
- \$43,500,000 to career and technical centers proportionally based on the secondary career and technical education subsidy.
- \$19,908,593 to education programs for neglected, delinquent and at-risk youth proportionally based on the allocation of federal Title I, Part D funds.
- \$15,000,000 to approved private schools, private residential rehabilitative institutions and the chartered schools for the education of the deaf and the blind proportionally based on average daily membership.
- \$14,000,000 to additional targeted support and improvement schools proportionally based on economically disadvantaged enrollment.
- \$14,000,000 over three years to the Department of Education for the administration of ARPA ESSER and the ARPA - Emergency Assistance to Nonpublic Schools.

ARPA Non-Public Distribution

The bill establishes a grant program administered by the Department of Education to allocate \$152,742,000 in federal ARPA – Emergency Assistance to Non-Public Schools funds.

Fiscal Impact: \$152,742,000 in federal ARPA funding is distributed to non-public schools as prescribed in the grant program.

ARPA Library Distribution

The bill distributes \$4,700,000 in federal ARPA – IMLS funds as grants to public libraries.

Fiscal Impact: The distribution to libraries is as follows:

- A base grant of \$5,000 to each library that receives an allocation from the public library subsidy;
- \$3,810,000 to each library proportionally based proportionally on the public library subsidy; and
- \$86,000 to the State Library for the administration of ARPA – IMLS.

ARPA Long-Term Living

The bill provides \$282,000,000 in federal ARPA funds to nursing facilities, assisted living and personal care homes and provides for a long-term care facility ventilation grant program.

Fiscal Impact: The distribution is as follows:

- Nursing Facilities - \$247,000,000
 - \$198,000,000 to be allocated based on Medical Assistance days of care;

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

- \$49,000,000 to be allocated based on licensed beds for all facilities.
- Assisted Living Facilities and Personal Care Homes - \$30 million
 - \$27,000,000 to be allocated proportionally based on occupancy;
 - \$3,000,000 to be allocated proportionally based on the number of SSI residents.
- Long-term care facility ventilation grant program - \$5 million
 - The Department of Human Services will establish a grant program for indoor air management strategies aimed at reducing the risk of transmission of and occupant exposure to COVID-19. Nursing facilities, assisted living facilities and personal care homes are eligible for the grant program

ARPA Pennsylvania Housing Finance Agency Construction Cost Relief Program

The bill provides for \$50,000,000 to provide assistance to those entities facing increased building material costs in the construction of low-income housing.

Fiscal Impact: \$50,000,000 in federal ARPA money is distributed as prescribed by the program.

ARPA Emergency Rental and Utility Assistance

The bill provides for changes to the original program regarding administrative spending to align with revised federal guidance. It also provides for an allocation of ARPA federal funds.

Fiscal Impact: \$212,749,506 will be directly allocated to the 17 largest counties by the federal government. \$450,862,132 is distributed to all counties on a pro-rata basis to allow for all counties to receive a proportional share equal to their share of the Pennsylvania population.

ARPA Homeowners Assistance Grant Program

The bill provides for \$350,362,000 in federal ARPA money to assist with mortgage payments, principal reduction, interest rate reduction, utility and insurance costs.

Fiscal Impact: \$350,362,000 in federal ARPA money will be administered as prescribed by the program.

ARPA Low Income Water and Wastewater Emergency Assistance Program

The bill provides for \$43,250,000 to provide assistance to those who also receive assistance from the Low Income Home Energy Assistance Program.

Fiscal Impact: \$24,247,000 in federal money appropriated in the Consolidated Appropriations Act of 2021 and \$19,003,000 in federal money appropriated in the American Rescue Plan Act of 2021 is to be distributed in accordance with forthcoming federal guidance.

ARPA Child Care Stabilization Program

The bill provides \$728 million for the Child Care Stabilization Program within the Department of Human Services. The department will establish an application process for interested child care providers. The funds can be used for costs such as payroll and recruitment and retention of staff; rent; utilities; personal protection equipment and cleaning supplies; purchasing of goods and equipment necessary to maintain or resume operations and mental health supports for children and employees.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

Fiscal Impact: \$728 million in federal ARPA money is distributed to child care providers as prescribed by the program.

Confidentiality Expansion

The bill expands the list of government-collected information that shall remain confidential, except for official purposes.

Fiscal Impact: The provision will have no fiscal impact on Commonwealth funds.

Oil and Gas Lease Fund Transfer

The bill eliminates the transfer from the Oil and Gas Lease Fund to the Marcellus Legacy Fund for distribution to the Environmental Stewardship Fund for FY 2021-22.

Fiscal Impact: The Oil and Gas Lease Fund will realize a reduction in expenditures of \$12,289,000 for fiscal year 2020-21. The Marcellus Legacy Fund and Environmental Stewardship Fund will have no fiscal impact as a result of this provision. The transfer was previously utilized to pay the debt service on the Growing Green bonds, which will be paid out of Personal Income Tax during Fiscal Year 2021-22.

Angel Investment Venture Capital Program

The bill creates the Angel Investment Venture Capital Program within the Executive Offices of the Governor to provide entities who participate in angel investing with additional capital to take a private equity interest in a qualified business venture.

Fiscal Impact: \$5,000,000 from the Building Pennsylvania Program within the Commonwealth Financing Authority shall be transferred to the Angel Investment Venture Capital Account for distribution as prescribed by the program.

Electronic Scooter Pilot Program

The bill establishes a two-year electric low-speed scooter (E-Scooter) pilot program in the City of Pittsburgh and provides for regulations for the program.

Fiscal Impact: There will be no fiscal impact on Commonwealth funds with the implementation of this two-year pilot program. The City of Pittsburgh may generate additional revenue from any civil penalties collected from the failure of commercial E-Scooter enterprises maintaining financial responsibility, which shall be used for the safety, operation and management of E-Scooters.

Budget Stabilization Reserve Fund

This bill allows for the transfer of the entire surplus in the General Fund for FY 2020-21 into the Budget Stabilization Reserve Fund.

Fiscal Impact: The transfer from the General Fund to the Budget Stabilization Reserve Fund will be \$2,516,081,000.

State Workers Insurance Board Extension

The bill extends the expiration date for the board from June 30, 2021, to December 31, 2025.

Fiscal Impact: This provision will have no impact on Commonwealth funds.

SENATE APPROPRIATIONS COMMITTEE

FISCAL NOTE

Tobacco Settlement Fund

The bill provides for the extension of the transfer of revenues from the cigarette tax to the Tobacco Settlement Fund for annual debt service for Fiscal Year 2021-22.

The bill also provides for the Fiscal Year 2021-22 distribution of Tobacco Settlement Fund payments as follows:

- 4.5% for tobacco use prevention and cessation programs (\$16,001,000);
- 8.82% for Health Research - Health Priorities formula-based grants (\$31,361,000);
- 2.62% for Health Research – Pediatric Cancer (\$9,331,000);
- 0.87% for biotechnology research equipment grants (\$3,110,000);
- 0.28% for spinal cord injury research programs (\$1,000,000);
- 1% for health and related research under Section 909 of the Tobacco Settlement Act (\$3,556,000);
- 8.18% for the Uncompensated Care Payment Program (\$29,086,000);
- 30% for the purchase of Medicaid benefits for workers with disabilities (\$106,672,000); and
- 43.72% shall remain in the fund to be separately appropriated for health-related purposes (\$155,457,000).

Fiscal Impact: The transfer from the Cigarette Tax for debt service for Fiscal Year 2021-22 is \$115,338,000. The percentage allocations result in appropriations from the Tobacco Settlement Fund for health-related programs in Fiscal Year 2021-22 of \$327,450,000.

Distributions from the Pennsylvania Race Horse Development Fund

This bill provides that equal weekly transfers be deposited in the Pennsylvania Race Horse Development Restricted Receipt Account. Transfers will begin on September 1, 2021, and will be set at an amount necessary to provide \$19,659,000 in 22 weekly installments. In addition, this bill provides for the transfer of \$10,066,000 from the fund to the Racing Fund for enforcement of medication rules and regulations.

Fiscal Impact: The enactment of these provisions will provide \$19,659,000 for agricultural-related programs and \$10,066,000 for enforcement of medication rules and regulations in FY 2021-22.

Opioid Settlement Restricted Account

The bill establishes the Opioid Settlement Restricted Account. All money received as a result of a settlement, litigation or an enforcement action related to claims made by the Commonwealth relating to opioids will be deposited into this restricted account. All money deposited into the account is subject to appropriation by the General Assembly.

Fiscal Impact: The FY 2021-22 budget appropriates the first year of funding totaling \$5 million from the account.

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

Department of Human Services Quarterly Reporting

The bill requires the Secretary of Human Services to report quarterly to the Secretary of Budget and the chairpersons of the House and Senate Appropriations Committees on the department's entitlement appropriations. The information shall include:

- Number of enrollees by month;
- Average cost per enrollee;
- Required payment amounts by appropriation during the fiscal year; and
- Revised estimate of money needed by appropriation to make required payments for the remainder of the fiscal year.

The bill prohibits the department from adding non-medically necessary services to the Medical Assistance program that would result in a supplemental appropriation without the approval of the General Assembly.

Fiscal Impact: This provision will allow the Legislature to more quickly identify and reduce the future need for supplemental requests within the Department of Human Services.

I-99 Report

The bill provides for the Department of Transportation to compile a report that identifies issues prohibiting portions of I-99 to not be designated as an 'Interstate' and a date when an application will be made for those portions to receive the designation.

Fiscal Impact: The department is able to accommodate the provision of this section within its current budget.

Agricultural Fair Funding

This bill provides that annual agricultural fairs receive the same amount of funding as in 2019, even if the fair was canceled in 2020.

Fiscal Impact: This provision requires the same amount (\$4 million) appropriated in FY 2019-20 to be again distributed to eligible fairs in FY 2021-22.

Growing Greener Debt Service

The bill authorizes the transfer of funds to the Environmental Stewardship Fund from Personal Income Tax revenue for the payment of debt service on the Growing Greener bonds.

Fiscal Impact: The provision results in the transfer of \$12,289,000 to the Environmental Stewardship Fund from Personal Income Tax revenue.

School Safety Fund Transfer

The bill provides for a one-year pause in the transfer of Judicial Fees to the School Safety and Security Fund.

Fiscal Impact: This provision would suspend the transfer of \$15,000,000 from collected Judicial fees to the School Safety and Security Fund for FY 2021-22.

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

Level-Up

The bill provides for an allocation to qualifying school districts that fall below the 20th percentile when calculating the average of the previous 5 years' weighted basic education funding and special education funding student counts per current expenditure. Funding is allocated to qualifying school districts proportionately based on the basic education funding weighted student count multiplied by the median household income index and the local effort capacity index used in the calculation of basic education funding.

Fiscal Impact: \$100,000,000 is directed to school districts that meet the qualifications of the program.

Local Share Account Bond Authority

The bill provides the ability for a county redevelopment authority in a home rule county of the third class to utilize local share gaming revenue to securitize debt.

Fiscal Impact: This provision will have no impact on Commonwealth funds.

Labor and Industry Fee Waiver

The bill allows for fees charged by the Bureau of Occupational and Industrial Safety to be waived for entities that are school districts, intermediate units or career and technical schools.

Fiscal Impact: The provision is anticipated to reduce fees collected by the bureau by \$788,000.

Multimodal Transportation Fund

The bill provides that the match requirements for the Commonwealth Financing Authority portion of the program are expanded to include local, regional or metropolitan transportation authorities. The provisions of this section are extended to December 31, 2021.

Fiscal Impact: The provision will have no fiscal impact on Commonwealth funds.

Public Transportation Trust Fund

The bill provides for funds received from the federal American Rescue Plan Act by a municipality to be used to fulfill local match requirements.

Fiscal Impact: The provision will have no fiscal impact on Commonwealth funds.

PlanCon Project Funding

The bill extends the deadline by 18 months for school districts that submitted a PlanCon application between July 1, 2017, and November 6, 2017, to proceed with construction and award bids in order to be eligible for funding from the PlanCon Bond Projects Fund.

Fiscal Impact: The provision will have no fiscal impact on Commonwealth funds.

SENATE APPROPRIATIONS COMMITTEE FISCAL NOTE

Special Fund Transfers

The bill reverses the transfer of \$59.5 million in special fund transfers to the General Fund that had been provided for in Act 114 of 2020.

Fiscal Impact: Reversed transfers of revenue from PennVEST (\$45,500,000) were offset by expedited debt service payments, which reduced General Fund costs by the same amount. As a result, this provision impacts the Commonwealth's finances by causing a \$14,000,000 reduction to General Fund revenues, as illustrated in the following table:

Special Fund	Amount
Historical Preservation Fund	\$4,000,000
PennVEST Fund	\$10,000,000
PennVEST Drinking Water Revolving Fund	\$26,500,000
PennVEST Water Pollution Control Revolving Fund	\$9,000,000
Racing Fund	\$10,000,000
Total:	\$59,500,000